

MINUTES
MEETING OF THE BOARD OF DIRECTORS
BUSINESS MANAGEMENT COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
May 29, 2012

The Board of Directors Operations Committee met on May 29, 2012 at 11:13 am in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Robert L. Ashe, III
Harold Buckley, Sr.
Wendy Butler
Frederick L. Daniels, Jr.
Jim Durrett, *Chair*
Noni Ellison Southall
Jannine Miller*

MARTA officials in attendance were: General Manager/CEO Beverly A. Scott; Chief Business Support Services Theodore Basta, Jr.; AGMs Davis Allen, Deborah Dawson, Nelvette Easterling (Acting), Ben Graham, Rod Hembree (Acting), Robin Howard, Mary Ann Jackson, Cheryl King, Rich Krisak, Ryland McClendon, Elizabeth O'Neill and Gary Pritchett; Sr. Directors Kevin Hurley and David Springstead; Directors Cynthia Moss Beasley, Anton Bryant, Reginald Diamond, Joe Erves, Garry Free, Scott Haggard, Lyle Harris, Walter Jones and Carol Smith; Managers Donna DeJesus, Gregory Synderman and Robert H. Thomas; Executive Manager/Assistant Secretary to the Board Rebbie Ellisor-Taylor; Sr. Executive Administrator Tyra J. Wiltz; Executive Administrator Renee Willis; Finance Administrative Analyst Tracy Kincaid. Others in attendance Doug Chambers, Christopher Dorsey and Srinath Remala,

Also in attendance Representative Lynne Riley; Pam Alexander of LTK.

Approval of the April 30, 2012 Business Management Committee Meeting Minutes

On motion by Mrs. Butler seconded by Mr. Daniels, the minutes were unanimously approved by a vote of 6 to 0, with 7* members present.

*Jannine Miller is Executive Director of Georgia Regional Transportation Authority (GRTA) and is therefore a non-voting member of the MARTA Board of Directors.

Resolution Authorizing Request for Proposals for a Credit Facility or Direct Purchase Relating to the Outstanding \$200,000,000 Metropolitan Atlanta Rapid Transit Authority Variable Rate Sales Tax Revenue Bonds (Second Indenture Series), Series 2000

Mr. Hurley presented this resolution for Board of Directors approval authorizing the General Manager/CEO or her delegate to execute a request for proposals for a credit facility or direct purchase relating to the outstanding \$200,000,000 Metropolitan Atlanta Rapid Transit Authority Variable Rate Sales Tax Revenue Bonds (Second Indenture Series), Series 2000.

Mr. Daniels asked what is the refinance amount.

Mr. Hurley said \$2.7M.

Mr. Daniels asked what are the projected savings.

Mr. Hurley said 35-40 basis points or approximately \$600,000 to \$700,000 in savings per year.

Mr. Daniels asked that staff present the actual cost savings at the full Board meeting.

Mr. Hurley agreed.

Mr. Durrett asked when will the RFP results be in.

Mr. Hurley said August 6.

On motion by Mrs. Butler seconded by Mr. Buckley, the resolution was unanimously approved by a vote of 6 to 0, with 7* members present.

Resolution Approving the Operating and Capital Budgets for Fiscal Year 2013

Mr. Allen presented this resolution for Board of Directors approval to adopt the Fiscal Year 2013 Operation and Capital Budgets. This resolution also allows for the utilization of prior year carry-over to subsidize operating costs.

Mr. Daniels said MARTA was under budget last year in non-revenue vehicles.

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Mr. Allen said it has been adjusted for FY13.

Dr. Scott added that the \$8M originally for Board Room renovations has been moved to station renovations.

On motion by Mr. Buckley seconded by Mrs. Butler, the resolution was unanimously approved by a vote of 6 to 0, with 7* members present.

Briefing – March Fiscal Year-to-Date 2012 Budget Variance Analysis and Financial KPIs

Mr. Allen briefed the Committee on the March Fiscal Year-to-Date (YTD) 2012 Budget Variance Analysis and Financial KPIs.

March 2012 Overview

- Total Net Revenues were \$2.35M, or 7.1%, less than budget (unfavorable)
- Total Net Expenses were \$1.1M, or 3.04%, less than budget (favorable)

YTD Operating Revenues

- Actual Revenues were unfavorable by \$1.2M, or 0.4%

YTD Budget vs. Actual Expense Performance

- On a March YTD basis, Net Operating Budget Expenses were under budget (favorable) by \$9.6M, or 3.1%
 - Salaries & Wages were favorable by \$6.7M or 4.3% – this positive variance was primarily due to net vacancies in a variety of positions throughout the agency
 - Overtime Expenses were \$3.2M or 19.9% over budget (unfavorable) due primarily to the coverage of represented employee vacancies in Rail and Bus Maintenance positions, Facilities, Rail Services and sworn Police Officers
 - Benefits were unfavorable by \$0.04M or 0.01% due primarily to overrun in represented employee healthcare costs; this overrun is currently under review

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Sales Tax Subsidy

- YTD actual Net Operating Loss (deficit) of \$8.8M requires a Sales Tax Subsidy of 61.4%, which is favorable to the budget
- The Annual Budgeted Sales Tax Subsidy is 64.5%

March Budget Variance

- The budget variance for the month of March was favorable at -3.04% under budget, mostly due to favorable variances in labor (vacancies), fuel and contractual services costs
- The budget variance for FY 2012 (the months of July through March) remains favorable at -3.12% under budget, also mostly due to favorable variances in labor (vacancies) and contractual services costs

Combined Ridership

- Combined Ridership for the month of March was 11.5M unlinked passenger boardings, which exceeded the forecasted total of 9.9M by 1.6M trips, or 16.2%
- Combined Ridership of 102.2M unlinked trips for FY 2012 (the months of July through March) exceeded the forecast of 93.9M unlinked trips by 8.3M, or 8.9%

Bus Cost per Passenger Trip

- Cost per Bus Passenger Trip of \$3.46 in March was better than the forecast of \$4.22 by \$0.76, or 18.0%
 - This favorable variance was due to bus ridership exceeding the forecast of unlinked trips by 794K, or 18.1%, as well as net underruns in budgeted expenses.
- Cost per Bus Passenger Trip of \$3.36 for the FY 2012 (the months of July through March) was better than the forecast of \$3.86 by \$0.50, or 13.0%
 - Mostly due to Bus Ridership exceeding the forecast of unlinked trips by 4.8M, or 11.5%, as well as net under runs in budgeted expenses

Rail Cost per Passenger Trip

- Cost per Rail Passenger Trip of \$2.34 in March was better than the forecast of \$2.77 by \$0.43, or 15.5%
 - This favorable variance was mostly due to Rail Ridership exceeding the forecast of unlinked trips by 812K, or 15.0%, as well as net underruns in budgeted expenses
- Cost per Rail Passenger Trip of \$2.30 for FY 2012 (the months of July through March) was better than the forecast of \$2.53 by \$0.23, or 9.1%
 - Mostly due to Rail Ridership exceeding the forecast of unlinked trips by 3.5M, or 6.8%, as well as net underruns in budgeted expenses

MARTA Mobility Cost per Passenger Trip

- The Cost per MARTA Mobility Passenger Trip of \$29.56 in March was better than the forecasted \$39.45 by \$9.89, or 25.1%
 - This favorable variance was mostly due to Mobility Ridership exceeding the forecast of unlinked trips by 11.5K, or 29.2%, as well as net underruns in budgeted expenses
- The Cost per MARTA Mobility Passenger Trip of \$30.13 for FY 2012 (the months of July through March) was better than the forecast of \$36.09 by \$5.96, or 16.5%
 - Mostly due to Mobility Ridership exceeding the forecast of unlinked trips by 59.8K, or 15.9%, as well as net underruns in budgeted expenses

Briefing – March and March Year-to-Date Fiscal Year 2012 Key Performance Indicators

Mr. Basta briefed the Committee on March and March Year-to-Date (YTD) Fiscal Year 2012 Key Performance Indicators (KPIs).

Financials KPIs

- All 5 Financial KPIs are performing better than their monthly and Fiscal YTD Targets
- Budget Variance KPI is favorable for the month of March mostly due to favorable variances in labor costs

- YTD Combined Ridership exceeded forecast by 8.3M unlinked boardings, or 8.8%

Customer Service KPIs

- These 2 KPIs, measuring responsiveness of MARTA's Customer Service Centers, have performed better than their individual targets for the past 12 consecutive months

Bus Operations KPIs

- Bus OTP, MDBF and MDBSI missed their targets for the month of March, but have shown steady progress throughout the year
- Bus Complaint Rate has exceeded the target by a substantial margin for the 12th consecutive month and is well below last year's actual rate

Rail Operations KPIs

- Rail OTP, MDBSI and Customer Complaints continue to perform better than their monthly and YTD targets
- Rail MDBF has missed the target but has not impacted service delivery

Mobility Operations KPIs

- Mobility OTP, MDBF and MDBSI continue to miss their monthly and YTD targets mostly due to a large number of new, inexperienced operators added to the force to keep up with the continuously increasing demand for mobility trips
- Two KPIs, measuring responsiveness of Mobility Reservation Services (Call Waiting & Abandonment Rate) continue to perform better than goal while the Trip Denial Rate has been kept at zero

Facilities Operations KPIs

- Escalator and Elevator Availability KPIs are showing dramatic (former) and/or continuous (latter) improvements respectively, relative to monthly and YTD goals
- When the annual goals are discounted for planned units held out of service for capital rehabilitation (former) or scheduled maintenance (latter), both KPIs exceed the Annual Availability Goal

Safety & Security KPIs

- The Employee Accident Rate has again performed better than the monthly target and is now lower than the annual goal on a YTD basis for the first time this year
- The Part I Crime Rate, Bus Collision Rate and Mobility Collision Rate missed their monthly targets, with the Part 1 Crime and Bus Collision YTD rates within reach of achieving their annual goals

Mr. Daniels asked what is the benchmark for Bus On-Time Performance (OTP).

Mr. Basta said 75%.

Mr. Daniels asked how was it determined.

Mr. Basta said it was a starting point in establishing a target for OTP.

Dr. Scott said 75% is not unusual for the transit industry. Due to budget constraints the Authority did not add more time. However, the target will be reexamined through the KPMG Audit.

Mr. Daniels said it seems an artificial line has been set and there are additional factors to consider. The Board would like to see the target stretched.

Mrs. Butler asked about the other averages within the transit industry.

Dr. Scott said typically 80% but every agency evaluates differently and it all comes to cost.

Ms. Miller said she would like to know the reasons for the delays.

Mr. Durrett said some delays can be avoided while others cannot.

Ms. Jackson said it is important to note that the Bus OTP goal is raised every year.

Dr. Scott said the biggest issue in delays is the loading of Breeze cards on buses.

Mr. Daniels asked what is MARTA doing to address Mobility OTP.

Mr. Basta said the newer operators are currently in training. MARTA needs to raise the entry salary for Mobility operators, in order to attract more experienced professionals.

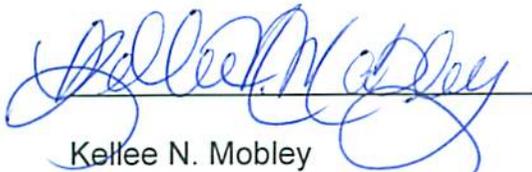
Other Matters

Mr. Durrett referenced Agenda Item #6 - March FY 2012 Ridership - asking Board Members review the informational items.

Adjournment

The meeting of the Operations Committee adjourned at 12:17 pm.

Respectfully submitted,



Kellee N. Mobley
Sr. Executive Administrator to the Board